

By: Taylor of Galveston

S.B. No. 1449

A BILL TO BE ENTITLED

AN ACT

relating to an insurer's compliance with National Association of Insurance Commissioners requirements.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 36.004, Insurance Code, is amended to read as follows:

Sec. 36.004. COMPLIANCE WITH NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS REQUIREMENTS; INTERIM RULES. (a) Except as provided by Subsection (c) and Section 36.005 and notwithstanding any other law, the department may not require an insurer to comply with a rule, regulation, directive, or standard adopted by the National Association of Insurance Commissioners, including a rule, regulation, directive, or standard relating to policy reserves, unless application of that version of the rule, regulation, directive, or standard is expressly authorized by statute ~~[and approved by the commissioner]~~.

(b) For purposes of Subsection (a), a version of a rule, regulation, directive, or standard is expressly authorized by statute if:

(1) the statute explicitly authorizes that version; or
(2) that version is the latest version of the rule, regulation, directive, or standard on the date that the statute was enacted.

(c) The commissioner may adopt an interim rule to require

1 compliance with a rule, regulation, directive, or standard adopted
2 by the National Association of Insurance Commissioners if:

3 (1) the commissioner finds the rule is technical or
4 nonsubstantive in nature or necessary to preserve the department's
5 accreditation; and

6 (2) before the adoption of the rule, the commissioner
7 provides the standing committees of the senate and house of
8 representatives with primary jurisdiction over the department with
9 written notice of the commissioner's intent to adopt the rule.

10 (d) Unless the legislature during the following regular
11 legislative session enacts a law expressly approving or reflecting
12 the substance of an interim rule adopted under Subsection (c), the
13 rule is effective until the earlier of:

14 (1) the day after the date on which the session ends;
15 or

16 (2) the effective date of a law that expressly
17 disapproves of or supersedes the rule.

18 SECTION 2. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2017.